



Intelligence Bills: Fresh Forum on Covert Aid

Normally obscure legislation pending in both houses of Congress could become the latest focal point for congressional debate about the future of U.S. support of anti-government guerrillas in Nicaragua.

House and Senate bills (HR 5399, S 2713) authorizing fiscal 1985 funds for the CIA and other intelligence agencies contain directly conflicting provisions on the Nicaragua issue. The two bills could be debated in their respective chambers by the end of June, when Congress recesses for the first of two political party conventions.

Meanwhile, on June 18 or 19 Senate Democrats will attempt to ban any spending on the Nicaragua war. They say money for the war is hidden in the fiscal 1985 defense authorization bill (S 2723). (*Defense bill, p. 1417*)

The House intelligence bill would prohibit any U.S. aid to thousands of guerrillas, called "contras," who are battling the leftist Nicaraguan regime. The Senate bill would allow \$28 million in aid to the contras in fiscal 1985, which starts Oct. 1, as long as the president reports that they are not trying to overthrow the government.

The Senate Intelligence Committee, which drafted S 2713, reaffirmed its position on June 13 by rejecting, 4-8, an amendment by Joseph R. Biden Jr., D-Del., that would have placed tight restrictions on aid to the contras. The panel originally had approved the \$28 million on May 23, but was forced to reconsider the issue because of subsequent confusion among members and staff about what was decided.

The debate over fiscal 1985 funds is taking on importance as it becomes increasingly likely that Congress will not provide additional money for the contras in the current fiscal year, which ends Sept. 30.

Congress has placed a \$24 million limit on U.S. aid to the guerrillas in 1984, and President Reagan's request for an additional \$21 million is tied up in an "urgent" supplemental appropriations bill (H J Res 492), which is pending in the Senate.

Majority Leader Howard H.

—By John Felton

Baker Jr., R-Tenn., on June 12 rejected a request by House Speaker Thomas P. O'Neill Jr., D-Mass., that the Senate separate the Nicaragua money from the supplemental so the rest of the bill — containing programs that are not in dispute between the two chambers — could be sent to Reagan. One of the undisputed items is \$61.75 million in additional military aid to the government of El Salvador. (*Background, Weekly Report p. 1231*)

The House Intelligence Committee issued a statement on June 13 saying "very little" of the already appropriated \$24 million remains to be spent. Earlier this year, administration supporters in Congress had said money for the contras would run out in May. However, contra leaders have said they have enough money and supplies to continue fighting through September.

In recent months there have been unconfirmed reports and rumors that the contras are receiving support from Israel, several Latin American countries and from donations by private individuals and organizations in the United States. Spokesmen for the contras have refused to provide specific information about their financial sources, and the Israeli government has denied providing aid.



Sen. Joseph R. Biden Jr., D-Del., sought to place tight curbs on aid to Nicaraguan rebels, but the Senate Intelligence Committee rejected them.

A senior administration official told reporters on June 13 that the contras are getting support from "more than one" Latin American country, but he refused to elaborate or to be quoted by name.

Meanwhile, the House committee said the CIA should have counted some of its own personnel and "overhead" costs as part of the \$24 million spending limit. If the agency had done so, the committee said, the limit already would have been exceeded by "less than \$1 million." The Senate committee disagreed, saying the CIA had stayed within the limit.

Committee Reports

The House Intelligence Committee issued its report on HR 5399 on May 10 (H Rept 98-743, Part I), and the Armed Services Committee issued Part II of the report under the same number on May 25.

The Senate Intelligence panel reported S 2713 on May 24 (S Rept 98-481). The Senate bill is awaiting action by the Foreign Relations and Armed Services committees, which have jurisdiction over some provisions. Under Senate rules, those panels have until June 23 to express an opinion on the bill.

As in the past, nearly all major provisions of the two intelligence bills are classified. Members of Congress are allowed to inspect the secret provisions, but must sign a statement promising not to reveal any of the information.

In addition to the CIA, the bills authorize funds for the National Security Agency, the Defense Intelligence Agency and the intelligence arms of the four military services.

Nicaragua Issue

Section 107 of the House bill contains a strict prohibition on U.S. aid to the contras: "During fiscal year 1985, no funds available to the Central Intelligence Agency, the Department of Defense or any other agency or entity of the United States involved in intelligence activities may be obligated or expended for the purpose or which would have the effect of sup-

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porting directly or indirectly, military or paramilitary operations in Nicaragua by any nation, group, organization, movement or individual."

The House Intelligence Committee put that language in the public part of its bill and report. During its deliberations on the issue, the panel defeated, on a party-line 4-7 vote, an attempt by Republicans to approve Reagan's request for \$28 million to assist the contras in 1985.

The panel's wording is similar to

inform the committee fully about U.S. involvement in the mining of Nicaraguan harbors. In that case, CIA Director William J. Casey reportedly mentioned the mining only in passing during a briefing on intelligence matters. (*Weekly Report* pp. 768, 903)

According to committee sources, Biden had offered a proposal, with restrictions, and the panel adopted it on May 23. Later, Biden disputed the exact wording drafted by the committee staff to implement his proposal.

Several committee members of both parties have complained that the administration has not adhered to previous restrictions that were intended to prevent the use of CIA funds to overthrow the Nicaraguan regime.

the current \$24 million restriction on the contras aid, contained in the fiscal 1984 defense appropriations bill (PL 98-212). (1983 *Almanac* p. 123)

The Senate Intelligence panel approved Reagan's request but placed new curbs on how the money could be used. That committee put its Nicaragua provisions in the secret part of the intelligence bill, and committee sources have revealed few details.

The Senate bill bars the use of covert aid for the purpose or effect of overthrowing the Nicaraguan government or to bring about a change in the makeup of that regime.

One committee source said the restriction was intended to put into law assurances that Reagan gave the Senate in an April 4 letter to Baker while that chamber was debating the Nicaragua issue.

In that letter, Reagan said: "The United States does not seek to destabilize or overthrow the government of Nicaragua; nor to impose or compel any particular form of government there." (*Weekly Report* p. 768)

Several committee members of both parties have complained that the administration has not adhered to previous restrictions that were intended to prevent the use of CIA funds to overthrow the Nicaraguan regime. In the wake of Reagan's April 4 letter, Biden said he did not believe what the president said.

The Senate bill also requires the CIA to report to the committee in writing whenever it or the contras begin a new military campaign. The latter provision was intended to prevent a repetition of the agency's failure to

When the committee reconsidered the issue on June 13, Biden offered a new proposal with two restrictions: The aid to the contras was to be limited to interrupting or stopping the flow of arms from Nicaragua to leftist guerrillas in El Salvador; and the committee was to be empowered to cut off the aid once it found that the arms flow had stopped.

Biden argued that the administration should be willing to accept the limits because it had used the Nicaraguan arms traffic as the justification for aiding the contras. (*Box*, p. 1471)

But a majority of committee members apparently found Biden's proposal too narrow, and it was rejected 4-8. William S. Cohen, R-Maine, joined Biden, Patrick J. Leahy, D-Vt., and Daniel Patrick Moynihan, D-N.Y., in the minority.

Overspending

The two Intelligence panels also have reached somewhat conflicting conclusions about whether the CIA included everything it should have under the existing \$24 million spending limit for the contra program.

The House committee staff had developed evidence that the agency had charged to its overall administrative accounts items that should have been attributed to the contra program. The biggest single item, according to sources, was the operation of a "mother ship" that was used to direct the mining of Nicaraguan harbors in January and February. The CIA reportedly charged about \$1 million of the ship's \$1.2 million cost to its "international affairs" division.

(*Mining, Weekly Report* p. 903)

The two committees heard from CIA officials on June 12-13.

In a statement afterwards, the House committee said the agency should have counted toward the \$24 million "certain types of expenses such as personnel and some overhead costs" for the contra program.

"A majority of the committee believes that the statute [setting the \$24 million limit] is unambiguous and that such expenditures should have been included under the cap," the committee said. However, the panel said it had no evidence that the agency had attempted to "evade the law."

The statement did not give specifics, but it did say that the \$24 million limit would have been exceeded by "less than \$1 million" if those costs had been included.

By contrast, the Senate committee issued a statement on June 14 saying the agency did not use accounting devices to "circumvent" the spending limit because it had used accounting practices in effect for more than 30 years. "There have been no improprieties" by the agency, the committee said.

Soviet Spies

The Soviet Union might be forced to withdraw up to 100 diplomatic personnel from the United States if a provision of the Senate bill is implemented.

Sponsored by committee members Walter D. Huddleston, D-Ky., and Patrick J. Leahy, D-Vt., the bill calls for the gradual reduction in the diplomatic staffs of any country "that engages in intelligence activities within the United States harmful to the national security of the United States." Although the bill does not cite a specific country, Huddleston and Leahy said the Soviet Union and its satellite countries are the targets.

The committee report cited FBI estimates that about 40 percent of Soviet bloc diplomatic representatives in the United States are intelligence officers. The Soviet Union has about 300 of its personnel stationed in the United States, compared to about 200 U.S. citizens stationed as diplomats in the Soviet Union.

The committee's bill would require the president to eliminate "disparities" in the number of U.S. and Soviet diplomatic personnel unless he determined that such an "imbalance" is in the national interest of the United States.